



GATEWAY INSIGHTS

6 Finding your niche

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Today, even in more difficult times the financial services market is overflowing with different investment products, services, advice strategies, portfolio management tools and broad based marketing. How do any of us differentiate the investment products we can offer the market or the advice we can give our clients? Carving out a niche market for your clients is one way you can be noticed in an overcrowded market.

A niche market gives you access to a subset of investors and businesses that have similar interests and needs - these can be targeted and reached more easily through focused marketing efforts. For financial planners finding a niche for your business means finding a specialised offering those other planning firms cannot provide. For fund managers offering a niche product or niche asset class gives focus and direction providing differentiation – a key aspect of building a brand.

Many boutique fund managers are niche product providers. There are dozens of examples over the last few years of boutiques being formed that focus on one asset class only. Effectively creating this niche helps financial planners understand when to use that particular product and how to incorporate it into a portfolio situation. In the newer alternative assets space the boutique manager's marketing efforts are as much about selling the investment class niche, as about selling skills and experience. Are Climate Change Funds the newest niche in this alternative space? Only time will tell.

Financial planning firms generally offer services such as retirement planning, education planning, cash flow management, investment planning, risk management and insurance planning, tax planning, estate planning and business succession planning for business owners. Detailed strategies are tailored to a client's specific situation and for meeting a client's specific goals. As Australia has an ageing population, several financial planning firms have done very well targeting the niche of retirement planning. A niche focus on wealth creators creates opportunities for financial planning practices to target younger clients.

Identifying your niche requires sound market research. Is there actually a market for your niche product? Will it stand out? How do we ensure it isn't too broad or too narrow? Is there *demand* for the product? If there is no demand or support there is no market and hence no niche. Other important factors are identifying a niche product or service that you have the maximum skills, experience and knowledge in. You need to be the expert to promote this niche.

The market research process can be tackled several ways but some tips are:

- Analyse your current best clients, what do they have in common, why are they the best clients?
- Analyse your competitors – this is key to understanding the landscape you are dealing with, who is successful and for what reasons?
- What is the current attitude of customers to the product you already offer? Are they positively predisposed to it but have just not yet taken the step of using it? Why is this the case? Are there potential hurdles that need to be addressed?

Market research, if conducted properly, will give you a focus on which groups of customers you want to reach and what their needs are. With this knowledge you can tweak your product and service to fit the needs of your niche market more closely. All marketing messages should be reflective not only of your business but also your customer.

Identifying your niche will give your marketing efforts a natural, sharp focus. Several very successful niches in the Australian market include the previously mentioned boutique structure for funds management and the concept of administration platforms being offered as separately branded products offered through large multi layered organizations for example, Asgard and St George. At the investment product level, successful niches include geared funds, structured products and tax effective products which successfully target clients with tax issues as opposed to selling of the underlying investment scheme.

Cynics might say that having a market niche is too limiting and if there are downturns in markets and X factors that you have no control over you are stuck with an underperforming niche market. Gateway's answer to that is to develop several niches! Once you've done it once the rest is easy.

About Gateway

Gateway Financial Marketing (Gateway) was established in February 2004 by Amanda Rethus and Edwina Best for the purpose of offering fund managers, other product providers and international new entrants, expert advice, services and assistance in negotiating entry into the Australian Retail Financial Services market. Use of Gateway's services provides the opportunity for clients to overcome the hurdles that can often confront fund managers when transitioning from institutional to retail and hence improve participation in retail funds flow. Prior to Gateway, Amanda and Edwina spent over 30 years combined with major institutions in the Retail Financial Services market.

Our qualifications

Amanda has over 20 years experience in the Financial Services industry and was formerly a Divisional Director in the Financial Services Group of Macquarie. Amanda managed investment portfolios for over 10 years, and has spent in excess of 10 years introducing investment products to the Australian Retail market.

Edwina has a Bachelor of Business from UTS majoring in Marketing and International Business. She has over 12 years experience in the financial services market, concentrating in relationship management, product management and marketing. They both have extensive contacts in the retail financial services market especially with key decision makers.

If you would like to confidentially discuss your current approach to the retail market or have any questions on the above please do not hesitate to contact us on – Edwina 0404 046 179 or Amanda or 0414 658 323.